



# Department of Justice

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FOR IMMEDIATE RELEASE  
MONDAY, DECEMBER 15, 2008  
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## **FORMER CENTERVILLE RESIDENT PLEADS GUILTY TO ROLE IN MORTGAGE FRAUD SCHEME**

CINCINNATI – Julian M. Hickman, age 31, of East Cleveland and formerly of Centerville, pleaded guilty in United States District Court here to two counts of conspiracy and three counts of willful failure to file federal income tax returns. The charges are in connection with Hickman's role in operating an extensive mortgage fraud scheme affecting 210 residential properties, including 205 in Montgomery County.

The scheme affected 63 investors and led to foreclosure against owners of more than 90 percent of the properties.

Gregory G. Lockhart, United States Attorney for the Southern District of Ohio, Keith L. Bennett, Special Agent in Charge, Federal Bureau of Investigation; Jose Gonzalez, Special Agent in Charge, Internal Revenue Service Criminal Investigation, and other members of the Dayton Mortgage Fraud Task Force announced the plea entered late Friday before U.S. District Judge Michael A. Barrett.

In a statement of facts filed with his plea, Hickman admitted that, between March 2002 and June 2008, he and others recruited unsuspecting individuals to buy residential properties, the majority of which were low income, dilapidated and otherwise depressed residential properties, at prices artificially inflated above legitimate fair-market values.

Hickman admitted that he participated in 107 separate fraudulent real estate closings between March 2002 and June 2006. Hickman and his co-conspirators netted more than \$3.8 million from the deals.

Hickman admitted that he and others opened accounts at various financial institutions in names of business entities including "Commercial Property Advisor Group", "Diamond Venture Capital Group", "Gem City Professional Services", "First Union Appraisals", "JMH Real Estate", "E & A Investments", "E & A Contractors", "K M Investments", "Midwest Alliance Commercial", "K & M Auto Sales LLC", "All-City Title Agency, Inc.", "Partners Land Title", and "NETCO."

Hickman failed to file federal income tax returns in 2003, 2004 and 2005. In 2003, Hickman received gross income in excess of \$680,000. In 2004, Hickman received gross income in excess of \$830,000. In 2005, Hickman received gross income in excess of \$200,000.

Hickman and five others were indicted by a federal grand jury in June, 2008. Charges against the others are still pending.

Each of the conspiracy charges is punishable by up to 20 years imprisonment. Willful failure to file income tax returns is punishable by up to one year imprisonment, plus payment of any taxes plus penalties and interest due. Judge Barrett will set a date for sentencing.

“Combined efforts and abilities of the agencies on the task force are crucial to the continued success of the task force,” Lockhart said. “Mortgage fraud destroys confidence in the housing finance system and contributes to deterioration of the neighborhoods involved.”

Agencies participating in the Greater Dayton Mortgage Fraud Task Force in addition to the FBI and IRS include the Ohio Department of Commerce Division of Financial Institutions, the Ohio Attorney General’s Office, the U.S. Postal Inspection Service, the U.S. Department of Housing and Urban Development Office of Inspector General, and the Perry Township Police Department.

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